



THE ARC, AAIDD, AUCD,
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FACT SHEET

SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME

Background

The Supplemental Security Income (SSI) and the Old Age, Survivors, and Disability Insurance (OASDI) programs, along with the related Medicaid and Medicare health care benefits, are the means of survival for millions of individuals with severe disabilities. With years of inadequate funding for the Social Security Administration (SSA) administrative costs, many people with severe disabilities have experienced long delays and decreased services in accessing these critical benefits. Without adequate appropriations to fund administration for SSA, the situation will deteriorate even more. The OASDI programs, established in Title II of the Social Security Act, are part of the debate over the long-term solvency (75 years) of the Social Security Trust Funds. Congressional action to resolve the funding shortfalls will have a major impact on people with disabilities. While the disability programs provide critical benefits for daily living, there continue to be numerous areas in which the programs need adjustment to ensure that they meet the needs of the people who are intended to be served.

SSA's Administrative Expenses

Social Security benefits are not subject to the annual appropriations process because benefits must be paid to those people who are entitled to them. However, the administrative functions of SSA are funded as SSA's Limitation on Administrative Expenses (LAE) through the annual appropriations process. SSA has a national workforce of over 60,000 people and 1,400 facilities nationwide. The current hearing processing time averages 500 days nationally. These delays hurt people with disabilities who file applications for benefits and/or request hearings on denials and who must then wait months or years to receive benefits to which they are entitled, as well as those who become so discouraged with the process that they quit trying.

SSA's funding for its LAE for FY 2009 is \$10.454 billion, which is \$709 million above the FY 2008 spending levels. At least \$400 million of it is necessary to cover the annual cost of living adjustments for SSA staff and increases in the cost of rent and security services for local offices. SSA received an additional \$500 million through the American Recovery and Reinvestment Act (ARRA) to assist in addressing the growing backlog in disability decisions and another \$500 million to begin replacement of its National Computer Center. With the ARRA funding and the final appropriation for FY 2009, SSA projects hiring 5,000 to 6,000 new staff over the next few months. For FY 2010, the President's request is for \$11.6 billion.

Efforts to Address Solvency

More than one-third (37 percent) of all Social Security benefit payments are made to over 18.6 million people who are non-retirees, including 7.4 million disabled workers, 1.6 million children of disabled workers, and over 870,000 disabled adult children covered by the survivors, retirement, and disability programs (OASDI). Other non-retirees include non-disabled survivors and dependents. The Title II programs are insurance against poverty and are essential to the protection of people with disabilities, who draw their benefits from all parts of the Trust Funds. Workers earn coverage for themselves and their family members through payment of Social Security taxes during their working years. The insurance protection they receive is targeted to prevent poverty in old age, in case of disability, or where there are dependent survivors after the death of the worker or retiree. Proposals that would partially or fully eliminate the current broad-based sharing of risk (social insurance) and replace it with the risks of private investment (privatization) would be harmful to people with disabilities, because substantial Social Security benefit cuts would be necessary. Beneficiaries would no longer be able to count on a guaranteed amount of benefits adjusted for inflation annually. Privatization would shift the risks of investment from the federal government back to the individual, resulting in a devastating impact on people with disabilities and their families. Many sponsors of past proposals to privatize portions of Social Security were not aware of the potential impact of their proposals on people with disabilities. While President Obama has not put Social

Security solvency on the list of issues to be addressed this year, recent budget estimates suggest that the Trust Funds' surplus may be lower than expected with the recent loss of millions of jobs from the economy.

Improvements Needed to SSI and Social Security Disability Programs

There remain many issues in the SSI and Social Security disability programs which need to be addressed in order to make the programs work better to meet the needs of people with disabilities. These include: increasing the substantial gainful activity (SGA) level for people who are disabled (currently \$980 per month) to the level for people who are blind (currently \$1,640 per month); permanently extending SSI eligibility for refugees and asylees who are disabled or elderly; increasing, and indexing for inflation, the asset limits and income exclusions for SSI; eliminating marriage penalties for people with disabilities; eliminating the two-year waiting period for Medicare; making needed improvements to the Ticket to Work program and other work incentives; establishing a \$1.00 for \$2.00 offset in the Title II OASDI disability programs so that beneficiaries will be better able to work despite severe disability; and addressing policy issues which have a harsh impact on people eligible for Title II benefits as disabled adult children.

Action Taken by Congress and the Administration

SSA received an additional \$500 million through the American Recovery and Reinvestment Act to assist in addressing the growing backlog in disability decisions and another \$500 million to begin replacement of its National Computer Center. With the ARRA funding and the final appropriation for FY 2009, SSA projects hiring 5,000 to 6,000 new staff over the next few months. For FY 2010, the President's request is for \$11.6 billion.

Recommendations

- Congress should appropriate \$11.6 billion for SSA's Limitation on Administrative Expenses. Congress should remove SSA's budget authority from discretionary spending caps. SSA's LAE would still be subject to the annual appropriations process and Congressional oversight.
- Congress should ensure the solvency of the Social Security Trust Funds by making limited adjustments that spread the costs widely while preventing privatization of, or depletion of, the Social Security Trust Funds. Congress should request a beneficiary impact statement on every major proposal under serious consideration and should carefully assess the possible impact of any Social Security reform proposals on people with disabilities who rely on Title II programs.
- Congress should address the many areas in which improvements are needed in the SSI and Social Security disability programs.

Relevant Committees

House Ways and Means Committee
Senate Finance Committee
House Budget Committee
Senate Budget Committee
House Appropriations Committee
Senate Appropriations Committee

For more information, please contact The Arc and United Cerebral Palsy Disability Policy Collaboration (202) 783-2229, Association of University Centers on Disability (301) 588-8252, American Association on Intellectual and Developmental Disabilities (202) 387-1968, National Association of Councils on Developmental Disabilities (202) 506-5813 or the Self Advocates Becoming Empowered (802) 760-8856.

4/13/09

TALKING POINTS FOR ADVOCATES

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SOCIAL SECURITY AND SSI

- The Social Security Administration (SSA) needs enough money to run SSI (Supplemental Security Income) and the Social Security disability programs.
- People with disabilities are being hurt by how long they have to wait for eligibility decisions. SSA does not have enough money or staff to do the job well.
- People with disabilities could also be hurt if changes are made to take money out of the Social Security Trust Funds. Changes to the Trust Funds will affect all people who use Social Security benefits, including millions of people with disabilities.
- While millions of people with disabilities depend on the SSI and Social Security disability programs, the programs could and should be made better and make it easier for beneficiaries with disabilities to work.

Congress should:

- Give SSA what it needs to run the Social Security and SSI programs – that is \$11.6 billion for Fiscal Year 2009;
- Protect the Social Security Trust Funds for at least 75 years;
- Make small changes to fix the Trust Funds for 75 years, and request a beneficiary impact statement to see how each bill will affect people with disabilities; and
- Work on ways to improve SSI and the Social Security disability programs to make them work better for beneficiaries with disabilities.

